



Process Review – Professional Services Process

Logistics
December 2014

LaGov



Process Review Session Agenda

- Project Overview
- Purpose
- Professional Services Business Process Detailed Review
- LaGov - Key Design Elements
- Future Sessions
- Organizational Impacts Identified
- Questions



Background

LaGov SAP HR/Payroll live since March 2001

LaGov SAP Financial/Logistics implementation began May 2008

LaGov Pilot Agency (DOTD) live November 2010
(Finance/Logistics)

LaGov Wave 1 implementation (DEQ) live July 2013

LaGov Wave 2 implementation (DNR, CPRA, WLF) live July 2014

LaGov team has significant implementation and support experience

LaGov Finance/Logistics system very stable



Benefits

Consolidation of multiple legacy systems

Commercial off-the-shelf software with ability to upgrade
(upgraded multiple times to date/support stack
application in progress)

Improved financial performance

Improved transparency

Dramatic executive oversight enhancements

Strong foundation built for future agency implementation
waves (as proven with DEQ,DNR,CPRA,WLF)

Standardized Statewide business processes



Project Fundamentals

System is already built and proven

Procurement business processes have now been used by multiple agencies

Standardized Statewide business processes

Key project tasks include:

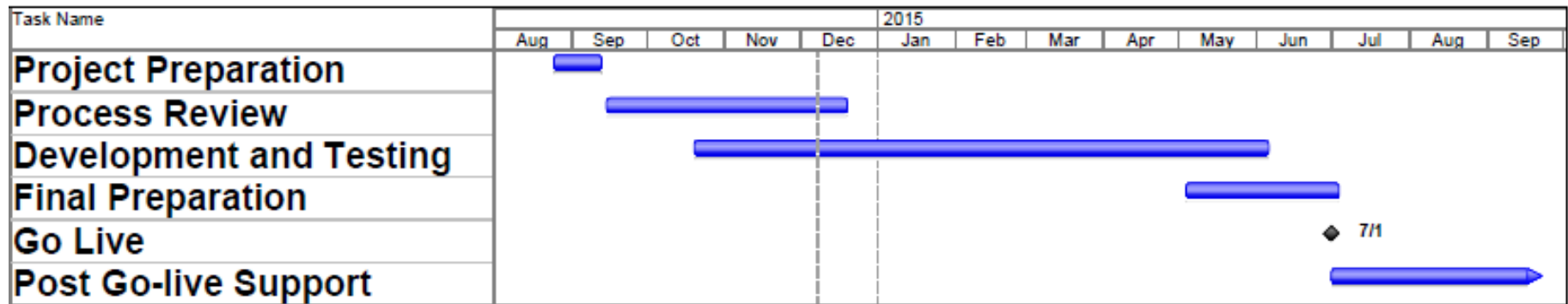
- Building required interfaces to AFS system
- Vendor conversion
- Design/Build/Implement non-state procurement process
- Business Readiness/Training

Leverage existing financials used in Payroll

- Financial coding objects
- SAP/AFS interfaces



2015





Purpose of Today's Review Session

Detailed Review

- Professional Services Work Process Flows
- Related SRM Features

Address

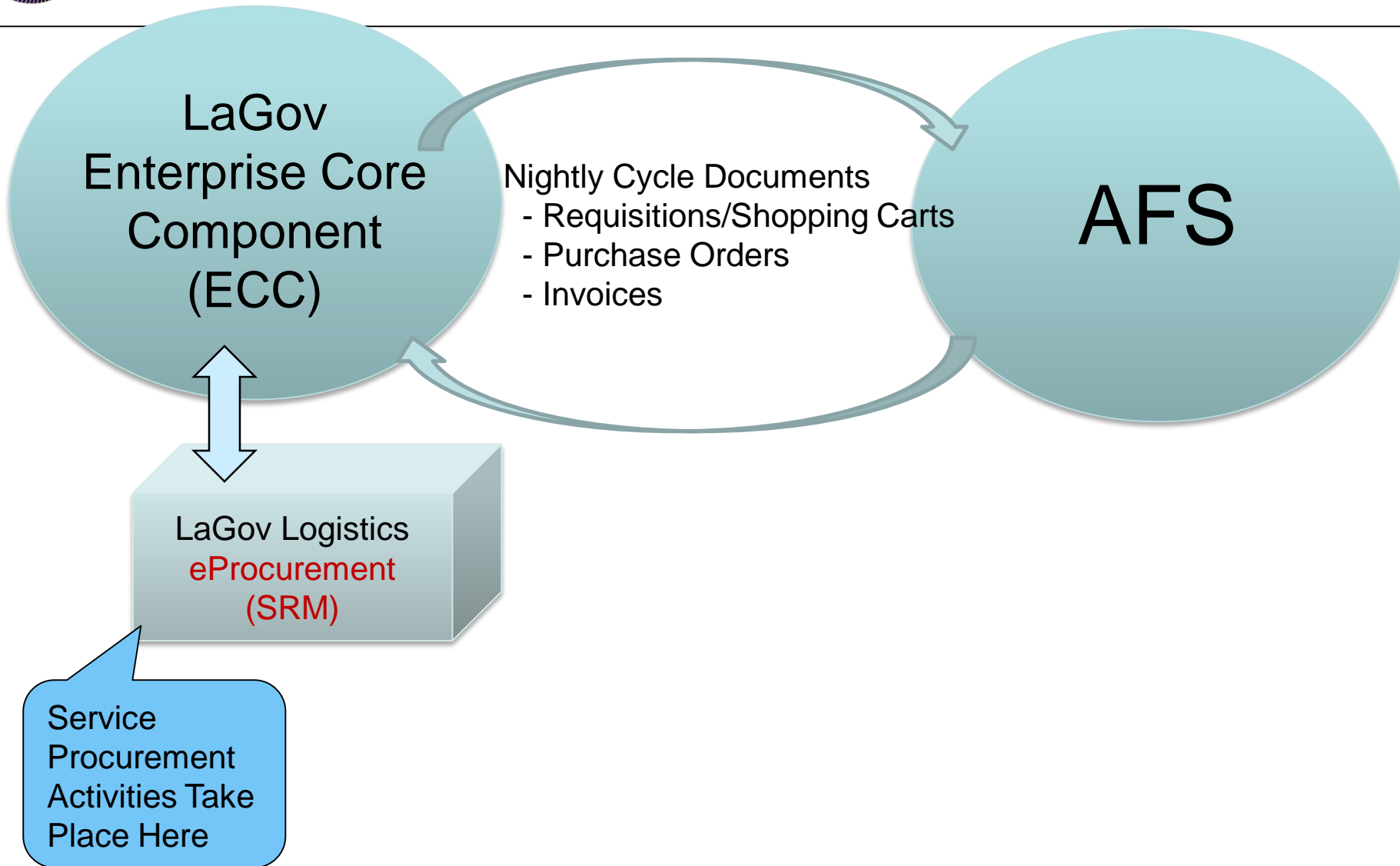
- Key features of system design and processes

Identify

- Areas of changing processes, roles, and responsibilities



Integration Overview





PROFESSIONAL SERVICE PURCHASE ORDER PROCUREMENT



Professional Service Procurement

Non-Operational Services

- Personal Services
- Professional Services
- Social Services
- Consulting Services



Professional Service Procurement

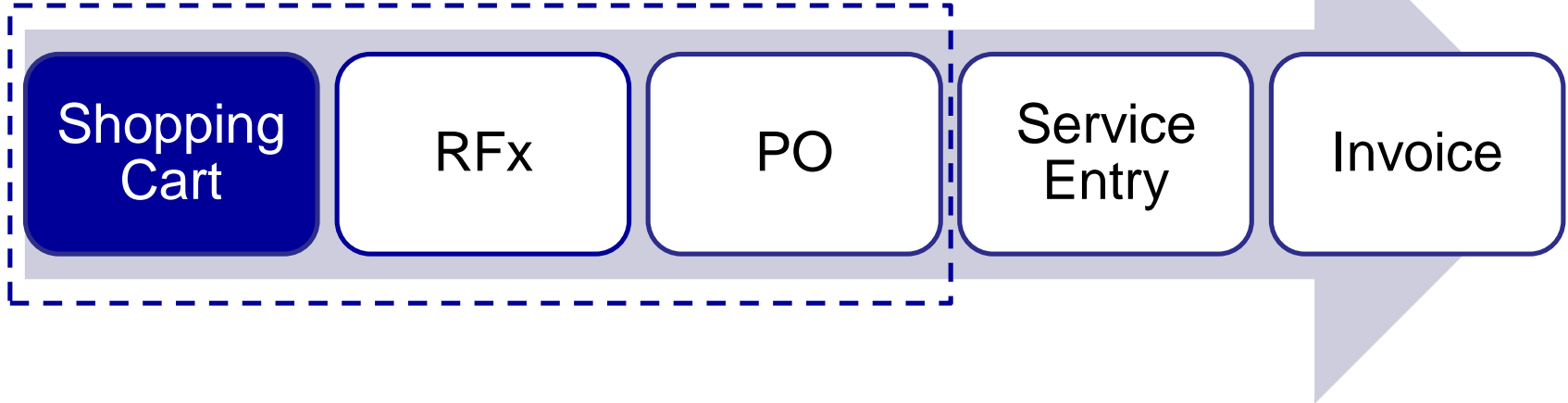
The Professional Service Procurement process must start with a Shopping Cart and an RFx.

The RFx Response is then used to create the Purchase Order for the services requested.



Professional Service Procurement Overview

Professional Service Procurement





General Definition: Shopping Cart Process

- The Shopping Cart is the starting point of the procurement process similar to today's purchasing requisition and documents the item(s) or service(s) which need to be procured in the system
- End Users (Requestors) can create requests for purchases and identify which budget accounts are to be pre-encumbered
- All Shopping Carts go through an approval process before they are released to a Buyer for further processing
- Once approved, the shopping cart pre-encumbers the funds required
- In this process, the Shopping Cart is followed by an RFx or Purchase Order created by a Buyer



Shopping Cart

Header Attributes – Information about the entire Shopping Cart

- Shopping Cart Name
- Approval Notes
- Default Settings

Line Attributes - Information about the professional services that the creator wishes to procure

- Item Description
- Unit of Measure
- Price
- Accounting Information
- Long Text and Attachments



Service Item Type

When creating the Shopping Cart line, the item type “Service” is selected.

Required information such as short description, Product Category, Unit of Measure, Price, and Quantity are required.

A Service item type allows for the use of fields that are specifically relevant to Service lines:

- Delivery Date Range – allows the user to specify a range of dates instead of a specific date



Limit Item Types

Like the “Service” item type, the “Limit” item type may be used on a Shopping Cart, RFx or PO.

This item type is different from the Service item type in that it does not have a Unit of Measure or unit price.

This item type requires that a maximum dollar value (limit) be placed on the line.

This item type can be used when the total amount or incremental amount of services to be received is unknown at the time of creation.



Shopping Cart – LaGov Service Type

The LaGov Service Type determines whether the follow on document requires OCR approval depending on the type selected and the Agency's DPA.

The LaGov Service Types mirror the doc types in CFMS with the exception of GRT, NOG and MOU



LaGov Service Type

LaGov Service Type	LaGov Service Type Description	Builds OCR Approval if > DPA	CFMS Doc Type	CFMS Description
AGY	Agency Contract	X	Same	Agency Contract
CEA	Non-OCR Cooperative Endeavor Agreement		Same	FP&C COP Endeavor Agreement
CN1	Non-OCR Consulting Contraction		Same	FP&C Consulting Contract
COC	Capital Outlay Construction		Same	Capital Outlay Construction
CON	Consulting Contract	X	Same	Consulting Contract
COP	Cooperative Agreement	X	Same	Cooperative Agreement
GOV	Governmental Contract	X	Same	Governmental Contract
GRT	Grants Agreement*	X		
MIS	Miscellaneous Contract		Same	Miscellaneous Contract
MOU	Memorandum of Understanding*			
MRC	Major Repair Construction		Same	Major Repair Construction
MRD	Major Repair Design		Same	Major Repair Design
NOG	Non OCR Grants Agreement*			
OCB	Owner/Contractor Bid		Same	Owner/Contractor Bid
OCO	Owner/Contractor Non-Bid > 5000		Same	Owner/Contr non-Bid>5000
OCU	Owner/Contractor Non-Bid < 5000		Same	Owner/Contr non-Bid<5000
ODS	Owner/Designer Sel Board		Same	Owner/Designer Sel Board
OTH	Other Type Contract	X	Same	Other Contract
PER	Personal Contract	X	Same	Personal Contract
PR1*	Non-OCR Professional Contracts		Same	FP&C Professional Contract
PRO	Professional Contract	X	Same	Professional Contract
SOC	Social Services	X	Same	Social Services Contract



LaGov Service Type

▼ Basic

Item Number:

Option Type:

Configurable Item Number is External: ☐

Higher-Level Item:

Control Key: Limit

Item Type:

Description:

Product Category:

Required: -

Value Limit: USD ☐ Unlimited

Expected value: USD

Remaining Limit: USD ☒ Unlimited

LA Gov Process Type:

LA Gov Service Type:

LA Gov Special Funding:

LA Gov Service Type: General Value List

Show Filter Criteria

Personal Value List Settings...

Add to Personal Value List

LA Gov Service ...	Description
AGY	Agency Contract
CEA	Non-OCR Cooperative Ende...
CN1	Non-OCR Consulting Contract...
COC	Capital Outlay Construction
CON	Consulting Contract
COP	Cooperative Agreement
GOV	Governmental Contract
GRT	Grants Agreement
MIS	Miscellaneous Contract
MOU	Memorandum of Understanding

OK Cancel



Account Assignment

Each Shopping Cart line can be apportioned to different accounting objects and accounts.

There are multiple account assignment categories that are used in SRM.

The LaGov project team is evaluating creating an account assignment to be used by AGPS Replacement Agencies.

AFS	LaGov
Object	General Ledger
Agency + Expense Org	Cost Center
Agency + Rep. Category	Fund
Activity	WBS
Sub Object	Fund Center

Existing AFS accounts and numbers will be entered in SRM via their respective SRM labeled field.



Account Assignment

Each Shopping Cart line will have accounting data added that determines where in the budget the money for the item is pre-encumbered and eventually where payment is made.



Account Assignment

Split Accounting Distribution

Each line can also be split between multiple account assignments, i.e. different cost centers, different grants etc.

Service line type can be split by percentage or by value.

Limit line type can only be split by percentage.

The screenshot shows a software interface for account assignment. It has several tabs: "Item Data", "Account Assignment", "Notes and Attachments", "Delivery Address/Performance Location", and "Sources of S". The "Account Assignment" tab is active. Below the tabs, there is a text box that says "You can see who bears the costs and, if necessary, you can distribute the cost to several cost centres". Below this text box is a "Cost Distribution" section with a dropdown menu set to "Percentage". To the right of the dropdown are buttons: "Details", "Add Line", "Copy", "Paste", "Duplicate", "Delete", "Split Distribution", and "Change All Item". Below these buttons is a table with the following data:

Number	Accounting Line Number	Percentage	Account Assignment Category	Assign Number	A
0001		80.00	Cost Center		
0002		20.00	Cost Center		



Shopping Cart Approvals and Pre-encumbrance

Once all of the required information is entered in a Shopping Cart and no errors are displayed to the user, the Shopping Cart can be “Ordered”.

This ordering of the Shopping Cart routes the Shopping Cart through the predetermined approval process.

Approvers are dynamically determined based on the data entered in the Shopping Cart.

The Shopping Cart pre-encumbrance takes place in AFS via the nightly cycle after all approvals are obtained



Shopping Cart Service Approvals

The approvers required for Service and Limit item types are driven in part by the LaGov Service type.



Ad Hoc Approvers: In addition to the required approvals listed here, the user may add more approvers at the time of Shopping Cart creation.



Potential Organizational Impact

Procurements for LaGov Service Types must begin with a Shopping Cart.

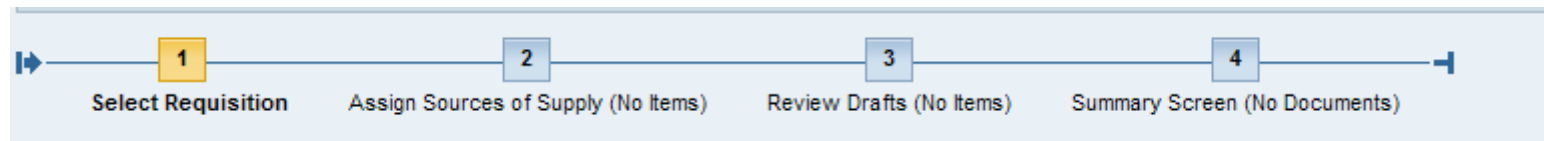


Perform Sourcing

Once a Shopping Cart has been approved the Shopping Cart request will be fulfilled by a Buyer by creating a PO, or RFx and subsequent PO.

The Buyer accesses the “Perform Sourcing” section of SRM to process these Shopping Carts.

The Buyer selects the Shopping Cart to work with and generates the follow-on document.





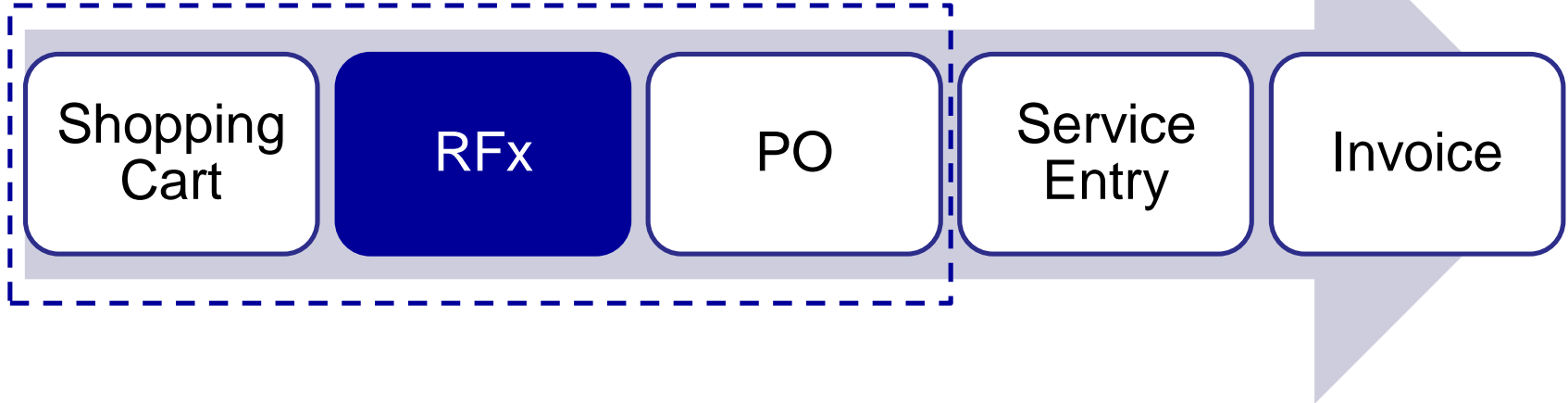
Shopping Cart and Perform Sourcing

Demonstration



Professional Service Procurement Overview

Professional Service Procurement





An RFx in SRM is an invitation extended to vendors by a buyer to submit a Bid Response for the supply of materials or performance of services. This term is interchangeable with ITB's, RFP's, and Solicitations.

RFx Structure

- Header
 - Contains information about the entire RFx
- Line item
 - Contains information about the individual services that the creator wants to solicit



The RFx is created from the Shopping Cart.

An RFx for Hourly Rates can be structured as the following with Service lines:

Line	Description	Unit of Measure
1	Junior Consultant	Hour
2	Senior Consultant	Hour
3	Project Manager	Hour

An RFx that cannot be divided into specific rates can be structured as the following with Limit lines:

Line	Description
1	Engineering Services



When the RFx is created from a Shopping Cart all information is copied from the Shopping Cart. The information can then be changed as needed.

Attachments such as Word Docs, Excel Sheets, PDFs, etc. can be added to the RFx.



RFx Approval

Once all required information is entered, the RFx is sent to any required approvers.

Referenced
Buyer
Approver

Referenced Buyer Approver

Required if the Buyer creating the RFx does not belong to the Purchasing Group identified

- Buyer belonging to the PGroup identified



Once all approvals have been obtained, the RFx is published and a file is sent to LaPAC for posting on their website.

LaPAC then notifies registered vendors of the RFx via email. This notification is only sent to those vendors who have paid their fee.

RFxs do not print automatically when published so the buyer will have to print the RFx using the Print Preview function.



RFx Response

An RFx Response (Bid) is submitted offline by a Bidder and must be entered by a buyer after the RFx Bid Opening Time has passed. This entry method is known as "Surrogate Bidding" in SRM.

RFx Responses are typically evaluated outside the system due to their technical and detailed nature.

The buyer has the option to award a single bidder or multiple bidders to create a PO(s).

There are no system generated approvals on the RFx Response for LaGov Service Types.



RFx Response

Once the RFx Response has been entered and accepted, the information from the RFx is combined with the details from the RFx Response and is used to create a Purchase Order.

Once the Purchase Order reaches ordered status, LaPAC is updated and posts the award information.



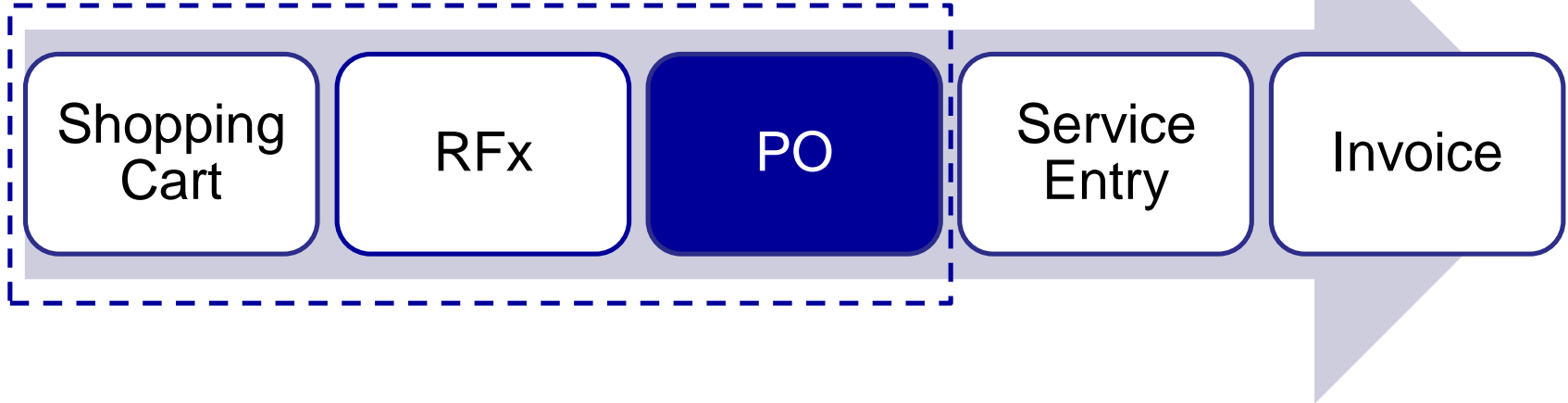
RFx

Demonstration



Professional Service Procurement Overview

Professional Service Procurement





Purchase Order

The Purchase Order is similar in its function to the CFMS contract.

The Purchase Order is created from the information contained on the Shopping Cart, the RFx and the RFx Response.



Purchase Order

Purchase Orders are created in SRM by a buyer from an approved shopping cart or accepted RFx response.

Purchase Order Structure

- Header
 - Contains information about the entire purchase order
- Line item
 - Contains entries about the individual services that the creator wants to procure

Account Assignments and Accounting Data

- Account assignment information and all other fields will be adopted into the PO line item from the shopping cart.
- An item on the PO can be funded from a single funding source or from multiple sources.

Encumbrance

- Shopping Cart pre-encumbrance is reduced/liquidated and PO encumbrance is created (via the nightly cycle) after all required approvals are obtained.



Purchase Order Approvals

OCR Approver

OCR Approver

Required if the PO references an OCR relevant LaGov Service Type and exceeds the Agency's DPA



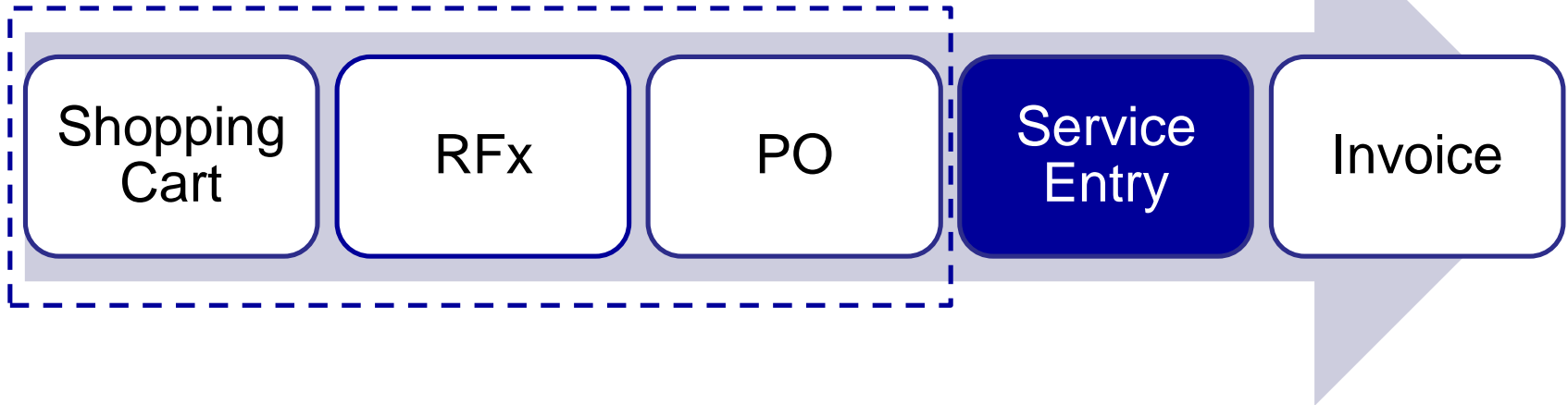
Purchase Order

Demonstration



Professional Service Procurement Overview

Professional Service Procurement





Service Entries

A Service Entry for a Service procurement can be entered in LaGov to confirm when the services on a PO have been performed by the Vendor.

By default, a service entry sheet will not be required for any PO lines with LaGov Service Types before invoice payment.

The Buyer does have the option on PO lines with LaGov Service Types to set the indicators that will require the service entry sheet be created before the invoice can be paid.



Service Entry (Planned Services)

Service Item Type

When creating the Service Entry, the user needs the following information:

- PO Number
- Description of Services performed
- Number of units received (quantity of unit of measure on the PO)

Entry Sheet ☒ No acceptance ☐ Returns Indicator

For Purchase Order

Short Text

Basic Data | Accept. Data | Vals. | LongText | History

Acct Assgt. Cat.

External Number

Service Loc.

Period -

Price Ref.

PRsp. Intern.

PRsp. Extern.

Line	D.	P	C	U	Service No.	Short Text	Quantity	Un	Gross Price	Crcy	C
10	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		Senior Engineer	72	H	55.00	USD	27



Service Entry (Unplanned Services)

Limit Item Type

When creating the Service Entry, the user needs the following information:

- PO Number
- Description of Services performed
- Number of units received (quantity and unit of measure)
- Price/Value of the services performed



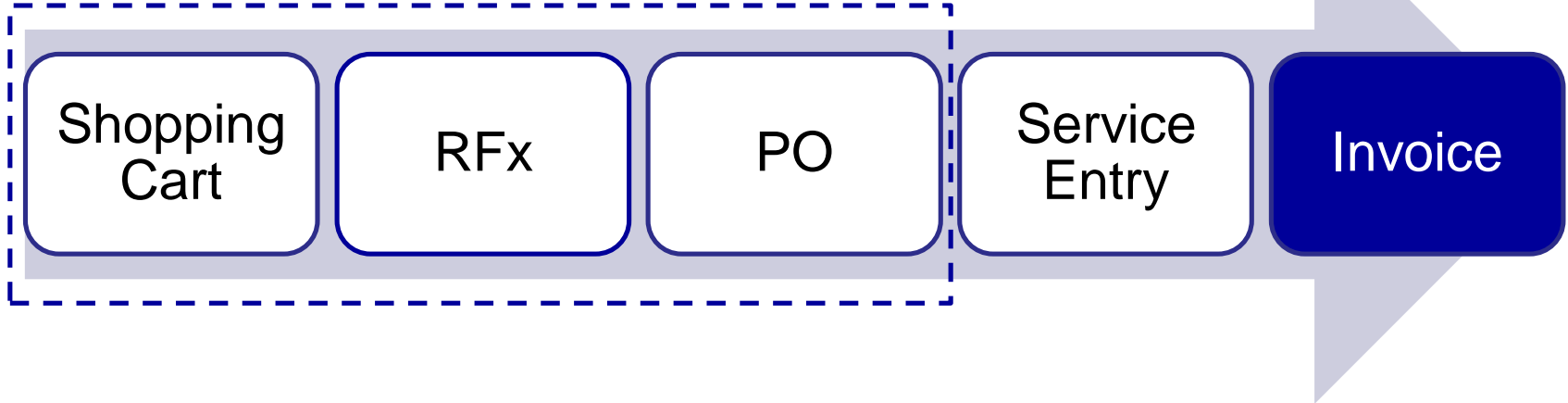
Service Entry

Demonstration



Professional Service Procurement Overview

Professional Service Procurement





Invoice

The paper version of the invoice from the Vendor requesting payment is entered in LaGov as an Invoice.

Further details of the invoicing process can be found on the Project Documentation Website.



CONTINGENCY CONTRACTS



Contingency Contracts

Some professional service agreements are created to prepare for services to be rendered in the future, but encumbrance is not required at the time of creation.

The LaGov document "Service Contingency Contract" may be used in this case as it does not encumber funds.

Purchase Orders are released from the Contract to encumber funds at the time the services are required.

Any invoices are submitted against the Purchase Order.



MULTI YEAR PROCUREMENT



Multi Year Procurement

An Agreement with a Vendor that extends through multiple years, but requires encumbering for the current fiscal year is handled as a PO with Options.

On a PO with options, the first line of the PO is created for the current fiscal year. The subsequent lines on the PO are marked as “option” lines.

Option lines do not encumber until the “period of performance” date is reached (typically in a future fiscal year).



Future Sessions

Conversion Strategy Discussion
Dates to be announced



Organizational Impacts

Organizational Impacts

- Opportunity to Standardize Agency Processes and Approvals
- Identify changing roles and responsibilities in your Agency



Security Considerations

Requisitioners

- Create Shopping Carts

Buyers

- Create Shopping Carts
- Create RFx's
- Create Contracts
- Create POs

Consolidated vs Non-consolidated Agencies



Project Documentation

Project Documentation Location:

http://www.doa.louisiana.gov/ois/lagov/srm/srm_conversion.htm



Recap and Questions?

